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Tayloe Murphy Institute

1982 Survey of Selected Deposit Services Offered by Virginia Financial Institutions

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This is the third survey conducted by the Tayloe Murphy Institute of selected deposit services offered by Virginia's financial institutions. Earlier surveys were made in 1979 and 1980. These surveys permit managers of the state's banks and thrift institutions to compare their services with institutions serving somewhat similar markets. Such comparisons help when developing market strategies and programs. The survey information supplements statistics on deposit volumes published annually by the Institute.

The survey data are as of January 1 in 1981 and 1982. They are provided for three area groupings: metropolitan, smaller urban, and non-urban areas. The cities and counties included in each of these groups are listed in Table 9.

This survey presents data from 186 banks, over 81 percent of the state's banks. Deposits of the responding banks accounted for about 94 percent of the state total of $20.6 billion on June 30, 1981. Respondent banks serving metropolitan areas totaled 73; smaller urban areas, 72; and non-urban areas, 48. (The aggregate for the three area groupings is larger than the total number of respondent banks, since some multi-market banks have offices in more than one of the three areas.)

This survey also presents data from 60 savings and loan associations and 62 credit unions: 71 percent, and 52 percent, respectively, of the state totals. Included among the respondents are the state's 10 largest savings and loan associations and 10 largest credit unions. Deposits of the responding savings and loans were about 94 percent of the state total of $8.3 billion on September 30, 1981. Respondent credit unions accounted for about 84 percent of the $2.4 billion (as of December 31, 1981) total deposits of credit unions.

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Table 1
Electronic Funds Transfer Terminals (EFT): Distribution by Urban Area Grouping

	Metro-politan	Smaller Urban	Non-urban	All Areas	Metro-politan	Smaller Urban	Non-urban	All Areas
	Number of respondents offering service				Percent of respondents offering service			
Full function automated tellers								
Banks								
January 1981	16	15	4	28	8.6	8.1	2.2	15.0
January 1982	25	17	6	41	13.4	9.1	3.2	22.0
Credit Unions								
January 1981	1	0	0	1	1.6	0.0	0.0	1.6
January 1982	2	0	0	2	3.2	0.0	0.0	3.2
Point-of-sale terminals								
Banks								
January 1981	3	0	0	3	1.6	0.0	0.0	1.6
January 1982	3	0	0	3	1.6	0.0	0.0	1.6
	Number of respondents planning to start offering service before July 1982				Percent of respondents planning to start offering service before July 1982			
Full function automated tellers								
Banks	2	2	2	6	1.1	1.1	1.1	3.2
Savings and loans [a]	3	0	0	3	5.0	0.0	0.0	5.0
Credit Unions	4	0	0	4	6.5	0.0	0.0	6.5
Point-of-sale terminals								
Banks	0	0	0	0	0.0	0.0	0.0	0.0
Savings and loans	1	0	0	1	1.7	0.0	0.0	1.7
Credit Unions [b]	1	0	0	1	1.6	0.0	0.0	1.6
	Number of survey respondents				Total number of institutions, Jan. 1982			
Banks	73	72	48	186	90	101	63	228
Savings and loans	38	16	9	60	68	36	11	86
Credit Unions	52	8	2	62	323	56	15	394

a/ No savings and loan association reported a full-function automated teller or point-of-sale terminal in operation on January 1981 or January 1982.

b/ None in operation either in 1981 or 1982.

Note: The number of respondents is less than the aggregate of respondents in the three areas, since some of the reporting institutions have offices in more than one of the three areas.

Information was also collected on cash dispensers in operation. Only two banks - both in metropolitan areas - had such machines in 1981. By January 1982, one additional metropolitan bank had increased the total to three.

Table 2.
Electronic Fund Transfer Terminals of Holding Company Affiliates and Independent Banks

	Number of banks offering service		Total number of terminals operating	
	January 1981	January 1982	January 1981	January 1982
Holding Company Affiliates [a/]				
Full function automated tellers				
on-site	20	31	221	346
off-site	8	12	27	32
Point-of-sale terminals				
clerk operated	3	3	468	676
customer operated	1	1	324	200
Independent Banks				
Full function automated tellers				
on-site	8	10	20	21
off-site	1	3	2	4
Respondents with automated tellers	28	41	241	367

a/ Unless otherwise indicated, data are for banks, not banking organizations. Electronic fund transfer services offered may differ among the affiliates of a holding company. The number of holding companies which had automated teller machines (ATMs) on-site was 10 in both 1981 and 1982. The number which had off-site terminals was 6 in 1981 and 7 in 1982.

Note: Six banks, all holding company affiliates, indicated that they share EFT equipment with another institution. Two banks pay the other institution. Three others receive pay from the other institution. One bank indicated it shared equipment with several institutions.

Table 3.
Capabilities of Automatic Tellers

	Number of banks offering service		Percent of banks offering service	
	January 1981	January 1982	January 1981	January 1982
Deposit funds	28	41	100.0	100.0
Withdraw funds	28	41	100.0	100.0
Inquire about account balance	9	28	32.1	68.3
Credit card advance	18	28	64.3	68.3
Check guarantee	1	4	3.6	9.8
Third-party bill payment	16	23	57.1	56.1
Credit authorization	2	3	7.1	7.3
Accept mortgage or loan payments	24	40	85.7	97.6
Transfer of funds:				
between checking (including NOW accounts and share drafts) and savings	28	41	100.0	100.0
from customer to merchant	1	1	3.6	2.4
from credit card to checking account	13	23	46.4	56.1
other [a/]	4	4	14.3	9.8
Respondents with automated tellers	28	41	--	--

a/ Includes a variety of services such as transfers from savings to credit card and from a line of credit to checking.

Note: None of the banks responded that they charged customers for ATM transactions.

Table 4.
Location of Automated Tellers, by Area

	Total number of banks reporting in area	Number of banks within area offering service		Percent of banks within area offering service	
		January 1981	January 1982	January 1981	January 1982
Metropolitan area:					
Bristol	5	2	3	40.0	60.0
Charlottesville	7	5	5	71.4	71.4
Danville	8	1	3	12.5	37.5
Lynchburg	7	4	5	57.1	71.4
Newport News-Hampton	10	6	7	60.0	70.0
Norfolk	15	6	9	40.0	60.0
Petersburg	6	3	3	50.0	50.0
Richmond	15	5	8	33.3	53.3
Roanoke	9	3	6	33.3	66.7
Northern Virginia	22	8	10	36.4	45.4
Non-metropolitan areas	114	17	20	14.9	17.5

Table 5.
Location of Off-site Automated Tellers

	Number of banks offering service		Percent of banks offering service	
	January 1981	January 1982	January 1981	January 1982
Supermarkets	1	1	3.6	2.4
Retail stores	1	2	3.6	4.9
Shopping malls	7	9	25.0	22.0
Apartment buildings	2	2	7.1	4.9
Plant or office buildings	1	3	3.6	7.3
Hospitals	1	1	3.6	2.4
Other [a]	2	4	7.1	9.8
Respondents with automated tellers	28	41	--	--

a/ Includes ATMs which were not in retail stores but in "general retail area."

Table 6.
Interest-bearing Transaction Accounts[a/]

	Metro-politan	Smaller Urban	Non-urban	All Areas	Metro-politan	Smaller Urban	Non-urban	All Areas
	Number of respondents offering service				Percent of respondents offering service			
Banks								
January 1981	60	62	39	154	82.2	86.1	81.2	82.8
January 1982	67	67	44	171	91.8	93.1	91.7	91.9
Savings and loans								
January 1981	31	12	7	45	81.6	75.0	77.8	75.0
January 1982	32	15	5	47	84.2	93.8	55.6	78.3
Credit unions								
January 1981	32	2	1	35	61.5	25.0	50.0	56.5
January 1982	34	2	1	37	65.4	25.0	50.0	59.7
	Number of respondents planning to start offering service before July 1982				Percent of respondents planning			
Banks	3	2	0	5	1.6	1.1	0.0	2.7
Savings and loans	0	0	1	1	0.0	0.0	1.7	1.7
Credit unions	5	1	1	7	8.1	1.6	1.6	11.3

a/ Covers interest-bearing negotiable order of withdrawal (NOW) accounts and share drafts (credit unions only).

Note: See Table 1 for total number of responding banks, savings and loan associations and credit unions within each of the three urban groupings.

Table 7.
"Free" Checking Account Plans:
Services Offered Consumers and/or Individual Businessmen[a/]

	Metro-politan	Smaller Urban	Non-urban	All Areas	Metro-politan	Smaller Urban	Non-urban	All Areas
	Number of banks offering service				Percent of banks offering service			
Free checking, January 1982								
for all customers	10	9	20	39	13.7	12.5	41.7	21.0
for some customers, e.g. senior citizens, students	43	33	13	83	58.9	45.8	27.1	44.6
for customers with related accounts	4	5	2	9	5.5	6.9	4.2	4.8
for no one	19	30	15	63	26.0	41.7	31.2	33.9
Total	73	72	48	186	100.0	100.0	100.0	100.0
Free checking for all customers during 1981:								
Introduced	0	0	1	1	0.0	0.0	2.1	0.5
Discontinued	4	8	3	15	5.5	11.1	6.3	8.1
No change	69	64	44	170	94.5	88.9	91.7	91.4
Free checking for some customers during 1981:								
Introduced	5	2	1	8	6.8	2.8	2.1	4.3
Discontinued	5	7	2	14	6.8	9.7	4.2	7.5
No change	63	63	45	164	86.3	87.5	93.8	88.2

a/ Without deposit balance requirement or service charges. Customers, however, may pay for check personalization.

Table 8.
Service Charges for Insufficient Funds Checks and Overdrafts, January 1982

Service charge:	Metro-politan	Smaller Urban	Non-urban	All Areas	Metro-politan	Smaller Urban	Non-urban	All Areas
	Number of banks offering service				Percent of banks offering service			
For checks returned due to insufficient funds								
less than $5.00 [a/]	3	1	3	7	4.1	1.4	6.2	3.8
5.00	3	6	4	13	4.1	8.3	8.3	7.0
5.01 - 7.50	5	10	4	19	6.8	13.9	8.3	10.2
8.00	5	7	11	23	6.8	9.7	22.9	12.4
8.50 - 9.50	0	5	0	5	0.0	6.9	0.0	2.7
10.00	22	25	20	65	30.1	34.7	41.7	35.0
10.50 - 11.50	1	1	1	3	1.4	1.4	2.1	1.6
12.00	31	15	5	46	42.5	20.8	10.4	24.7
$15.00 or more	3	2	0	5	4.1	2.8	0.0	2.7
Total	73	72	48	186	100.0	100.0	100.0	100.0
For overdrafts								
less than $5.00 [b/]	1	3	5	9	1.4	4.2	10.4	4.8
5.00	4	7	4	15	5.5	9.7	8.3	8.1
5.01 - 7.50	5	10	7	22	6.8	13.9	14.6	11.8
8.00	4	7	10	21	5.5	9.7	20.8	11.3
8.50 - 9.50	0	4	0	4	0.0	5.6	0.0	2.2
10.00	24	24	17	63	32.9	33.3	35.4	33.9
10.50 - 11.50	1	1	1	3	1.4	1.4	2.1	1.6
12.00	31	14	4	44	42.5	19.4	8.3	23.7
$15.00 or more	3	2	0	5	4.1	2.8	0.0	2.7
Total	73	72	48	186	100.0	100.0	100.0	100.0

a/ Includes a non-depository institution.

b/ Includes a non-depository institution and two banks which had no charge for overdrafts.

Table 9.
Cities and Counties Constituting the Three Bank Location Groupings

Metropolitan area

Albemarle	Craig	Hopewell city	Powhatan
Alexandria city	Danville city	James City	Prince George
Amherst	Dinwiddie	Loudoun	Prince William
Appomattox	Fairfax city	Lynchburg city	Richmond city
Arlington	Fairfax	Manassas city	Roanoke city
Bristol city	Falls Church city	Manassas Park city	Roanoke
Botetourt	Fluvanna	New Kent	Salem city
Campbell	Gloucester	Newport News city	Scott
Charles City	Goochland	Norfolk city	Suffolk city
Charlottesville city	Greene	Petersburg city	Virginia Beach city
Chesapeake city	Hampton city	Pittsylvania	Washington
Chesterfield	Hanover	Poquoson city	Williamsburg city
Colonial Heights city	Henrico	Portsmouth city	York

Smaller urban area

Alleghany	Franklin	Montgomery	South Boston city
Augusta	Frederick	Norton city	Spotsylvania
Bedford city	Fredericksburg city	Nottoway	Stafford
Bedford	Galax city	Orange	Staunton city
Buena Vista city	Grayson	Page	Tazewell
Carroll	Greensville	Patrick	Warren
Clifton Forge city	Halifax	Prince Edward	Waynesboro city
Covington city	Harrisonburg city	Pulaski	Winchester city
Culpeper	Henry	Radford city	Wise
Emporia city	Isle of Wight	Rockbridge	Wythe
Fauquier	Lexington city	Rockingham	
Floyd	Martinsville city	Smyth	
Franklin city	Mecklenburg	Southampton	

Non-urban area

Accomack	Clarke	Lancaster	Northumberland
Amelia	Cumberland	Lee	Rappahannock
Bath	Dickenson	Louisa	Richmond (county)
Bland	Essex	Lunenburg	Russell
Brunswick	Giles	Madison	Shenandoah
Buchanan	Highland	Mathews	Surry
Buckingham	King George	Middlesex	Sussex
Caroline	King and Queen	Nelson	Westmoreland
Charlotte	King William	Northampton	

Note: The metropolitan area delineation is that of the Standard Metropolitan Statistical Area (SMSA), except that cities and counties within the SMSA but outside Virginia are omitted. The smaller urban areas include independent cities and their related counties not covered in the SMSA category, as well as counties that contain a town of over 3,500 residents. The remaining counties within the state make up the non-urban group.